
TITLE 876 INDIANA REAL ESTATE COMMISSION

Economic Impact Statement

LSA Document #14-304

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

The Indiana Real Estate Commission (Commission) and the Indiana Real Estate Appraiser Licensure & Certification Board (REAB) has determined that this proposed rule will impose minimal requirements or costs on small businesses. This rule change will amend [876 IAC 3-3-2](#) to require that individuals seeking licensure under the current requirements also pass the licensing examination before January 1, 2015; amends [876 IAC 3-3-3.1](#) to require that appraiser trainees complete a supervisor/trainee course to meet licensure requirements and require that qualifying education be completed within the five years prior to the date of application; amends [876 IAC 3-3-4.1](#) to require a bachelor's degree for licensure as a certified residential appraiser and to allow qualifying education to be obtained through an accredited college or university; amends [876 IAC 3-3-5.1](#) to require a bachelor's degree for licensure as a certified general appraiser and to allow qualifying education to be obtained through an accredited college or university; repeals [876 IAC 3-3-5.2](#); amends [876 IAC 3-6-9](#) to require certified residential and certified general appraisers to hold an Indiana certification for at least three years before acting as a supervisor, have no disciplinary action taken within the last three years against an appraiser license or certification in any jurisdiction that affects the supervisory appraiser's legal ability to engage in appraisal practice, and allow a supervisor to supervise up to three trainees at the same time; amends [876 IAC 3-6-10](#) to require that certified residential and certified general appraisers complete the supervisor/trainee course prior to commencing association with an appraiser trainee and modify the requirements of the course.

Estimated Number of Small Businesses Subject to this Rule:

The estimated number of small businesses subject to this rule may include continuing education course providers (currently 19 approved in Indiana) and any Indiana college or university; however, it is unclear how many of those fall into the category of small business as defined by [IC 4-22-2.1-4](#). State schools likely do not fit the definition and (as public institutions) would not appear to be business entities. The larger private schools are likely too large; however, there may be a few smaller private institutions that may fall within the definition. Therefore, based on the list of colleges and universities found on Wikipedia at http://en.wikipedia.org/wiki/List_of_colleges_and_universities_in_Indiana, there appear to be six colleges that may fit into the definition of small business and would be affected by this rule.

Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs Small Businesses Will Incur to Comply with the Proposed Rule:

If all 19 continuing education providers are small businesses and they all apply for approval of a supervisor/trainee course through the Appraisal Qualifications Board (AQB), the total estimated annual costs to those small business would be \$28,500. However, these providers could apply for approval by the REAB at no cost.

While the college or university applying for approval to the AQB of their degree program to include the qualifying educational requirements would not pay an approval fee to the AQB, there would be costs associated with the submission of the materials or the meeting of their specific requirements. These costs could include staff labor costs, copying costs, and mailing costs. We would estimate these costs to be approximately \$113 per college (\$48 labor costs, \$50 copying costs, and \$15 mailing costs) for a total cost of \$678.

Estimated Total Annual Economic Impact on Small Businesses:

The total estimated annual economic impact possible on small businesses is \$29,178.

Justification of Any Requirement Imposed by the Proposed Rule and Not Expressly Required by the Statute Authorizing the Rule:

All of the changes in LSA Document #14-304 are made to comply with provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 and the Real Property Appraiser Qualification Criteria (Criteria) as amended effective January 1, 2015. Changes to these provisions require that the Commission modify their existing rule to remain in compliance.

Supporting Data, Studies, and Analyses:

See attached AQB CAP approval cost information sheet.

http://en.wikipedia.org/wiki/List_of_colleges_and_universities_in_Indiana

Regulatory Flexibility Analysis of Alternative Methods:

The Commission determined that this proposed rule is the only effective way to remain in compliance with the

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